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(54) Title: SYSTEM, METHOD, AND COMPUTER PROGRAM PRODUCT FOR ASSESSING RISK WITHIN A PREDEFINED MARKET			
(57) Abstract			
<p>A system (10) and method for measuring or quantifying the probability of default of a borrower. Credit factors (20) from companies that banks have extended loans to are inputted and collected into processor (15). The method employs a process utilizing an optimization function and a standard multivariate nonlinear regression to process client information and to provide an output value whose value is indicative of the likelihood or risk of default by a particular borrower.</p>			
<pre> graph TD A[INPUT ESTIMATION DATABASE CONTAINING CREDIT FACTORS OF BORROWERS WHO DEFAULTED AND BORROWERS WHO NEVER DEFAULTED] -- 30 --> B[FIND OPTIMAL WEIGHTS] -- 32 --> C[CALL VALIDATION DATABASE CONTAINING OBSERVED EVENTS OF DEFAULTS AND NONDEFAULTS] -- 34 --> D[MANUAL CHECK ON QUALITY OF DATA IN ESTIMATION DATABASE] -- 36 --> E[PREDICTION AS TO WHETHER EACH BORROWER IN VALIDATION DATABASE WILL DEFAULT OR NOT] -- 38 --> F{ARE THE PREDICTIONS ACCURATE ENOUGH? (I.E. PREDICTIONS MATCH OBSERVED EVENTS)} -- NO --> D F -- YES --> G{ARE THE OPTIMAL WEIGHTS STABLE ?} -- NO --> D G -- YES --> H[USE OPTIMAL WEIGHTS TO PREDICT FUTURE DEFAULTS ON DIFFERENT SET OF BORROWERS] -- 42 --> I[OUTPUT GRAPHIC FACILITY] -- 44 --> J </pre>			